GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:1371
ANSWERED ON:26.02.2003
FUNDS THROUGH DRAWING AND DISBURSING OFFICERS
M.V.V.S MURTHI;NARESH KUMAR PUGLIA;SHYAMA SINGH

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Union Government have taken a decision to provide funds for the repair of National Highways through Drawing and Disbursing Officer and not directly to State Government;

(b) if so, the reasons therefor;

(c) whether the reports of diversion of funds by State Governments have come to notice;

(d) if so, the details thereof; and

(e) the action taken or proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (MAJOR GENERAL (RETD KHANDURI)

(a) Yes, Sir. Direct payment procedure (DPP) has been adopted with the consent of the respective States/Union Territory (UT) in 13 States and 1 UT.

(b) to (e) As opposed to DPP, in the reimbursement system of payment, the instances of late issue of `Letter of Credit` by some State Governments were noticed. This has delayed the payments to the implementing agencies and in turn has affected the physical progress of works, resulting in surrender of funds. To tackle the problem, Government of India has taken a decision to adopt Direct Payment Procedure for National Highways works. Other States have been requested to give their consent for adoption of this system.